

Message Text

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50

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 TAR-01

AGR-10 FEA-01 STR-04 CEA-01 AID-05 EB-07 FRB-01

TRSE-00 XMB-04 OPIC-06 CIEP-02 LAB-04 SIL-01 OMB-01

/115 W

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R 122137Z SEP 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 7236

INFO USDOC WASHDC

AMCONSUL GUAYAQUIL

UNCLAS QUITO 6837

E.O. 11652: N/A

TAGS: BEXP, EC

SUBJECT: DECREE 786; GOE REDUCES RECENTLY-IMPOSED IMPORT SURCHARGES

REF: (A) QUITO 6835 (B) QUITO 6769

1. ON SEPTEMBER 11, 1975, THE GOE MONETARY BOARD ISSUED DECREE 786 (SEE REF A FOR FURTHER INFORMATION AND COMMENT) WHICH MODIFIED THE MOST IMPORTANT ASPECTS OF RECENTLY-ISSUED DECREE 738 (REF B). THE MOST IMPORTANT PROVISIONS OF THE NEW DECREE ARE THE REDUCTION IN THE IMPORT SURCHARGE FOR LIST II ("NON-ESSENTIAL") ITEMS FROM SIXTY PERCENT TO THIRTY PERCENT, AND THE ELIMINATION OF THE SLIDING-SCALED ZERO TO TWENTY-FIVE PERCENT SURCHARGE ON LIST I (CAPITAL GOODS AND ESSENTIAL IMPORTS) ITEMS. THE NEW DECREE ALSO: EXEMPTS FROM THE IMPORT SURCHARGE ITEMS IMPORTED UNDER INDUSTRIAL PROMOTION LAWS; EMPOWERS THE MONETARY BOARD TO EXEMPT OTHER IMPORTS WHICH ARE DEALT WITH UNDER SPECIAL LAWS; ESTABLISHES PROCEDURES FOR DEALING WITH IMPORTS UNDER THE NEW DECREE; AND PROVIDES FOR THE PARTIAL REFUND OF IMPORT SURCHARGES COLLECTED UNDER DECREE 738.

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2. FOLLOWING IS EMBASSY'S UNOFFICIAL TRANSLATION OF TEXT OF
DECREE 786 AS REPORTED IN GOE PRESS RELEASE:

QUOTE THE FOLLOWING REFORMS WILL BE MADE TO DECREE 738 OF
AUGUST 22, 1975: ARTICLE

ARTICLE 1-- THE TARIFF SURCHARGE IS REDUCED TO THIRTY PERCENT.

ARTICLE 2-- ARTICLE 2 IS DELETED.

ARTICLE 3-- ARTICLE 3 WILL READ: FOR MERCHANDISE FOR WHICH
IMPORT PERMITS HAVE BEEN GRANTED BEFORE THE PRESENT DATE,
THE TARIFF SURCHARGE WILL BE COLLECTED BY THE CENTRAL BANK
OF ECUADOR WHEN THE RESPECTIVE REIMBURSEMENT OR APPROVAL IS
GRANTED. FOR MERCHANDISE IMPORTS FOR WHICH PERMITS ARE
GRANTED FOR THIS DATE FORWARD, THE TARIFF SURCHARGE WILL BE
COLLECTED BY THE CENTRAL BANK WHEN THE RELEVANT IMPORT PERMIT
IS GRANTED. FUNDS GENERATED BY THE SURCHARGE WILL BE CREDITED
TO THE GENERAL BUDGET FUND.

ARTICLE 4-- ARTICLE 4 WILL READ: THE MONETARY BOARD WILL
DETERMINE THOSE IMPORTS WHICH WILL NOT BE SUBJECT TO THIS
DECREE BECAUSE THEY ARE DEALT WITH IN SPECIAL LAWS OR AGREE-
MENTS.

ARTICLE 5-- ARTICLE 5 WILL READ: IN ORDER TO RELEASE MERCHANDISE
CLASSIFIED IN LIST II, CUSTOMS AGENTS WILL DEMAND THE PRESENTATION
OF THE RECEIPT INDICATING PAYMENT OF THE CUSTOMS SURCHARGE
ESTABLISHED BY THIS DECREE. IF THERE IS A DIFFERENCE BETWEEN
THE ACTUAL VALUE OF THE MERCHANDISE IMPORTED AND THE VALUE
DECLARED ON THE IMPORT PERMIT, THE CUSTOMS AGENT WILL
CORRECT THE DIFFERENCE.

ARTICLE 6-- THE FOLLOWING IS ADDED AFTER ARTICLE 5:

ARTICLE MERCHANDISE IMPORTS WHICH ARRIVED IN THE
COUNTRY AFTER AUGUST 22, 1975, AND IMPORT PERMITS FOR
CAPITAL GOODS IN LIST I GRANTED AFTER THAT DATE UNTIL THE
PRESENT, AND WHICH HAVE BEEN LIQUIDATED, WILL
BE RE-LIQUIDATED

IN CONFORMITY WITH THE DISPOSITIONS OF THIS DECREE. THE
CENTRAL BANK, WITHOUT ANY OTHER REQUIREMENTS, WILL RETURN
THE EXCESS DUTY PAYMENTS, FUNDS FOR WHICH WILL COME FROM THE
NATIONAL FUND OF THE GOVERNMENT BUDGET.

ARTICLE... IMPORTS OF RAW MATERIALS, INTERMEDIATE PRODUCTS,
AND CAPITAL GOODS, DEALT WITH SPECIALLY IN THE VARIOUS
DEVELOPMENT LAWS, WILL NOT BE SUBJECT TO THE SURCHARGE
ESTABLISHED IN THIS DECREE.

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ARTICLE 7

ARTICLE 8 WILL READ: THIS DECREE, BECAUSE OF
ITS SPECIAL CHARACTER, WILL PREVAIL OVER ANY OTHER DECREE IN
CONFLICT WITH IT AND IT WILL BE IN FORCE EFFECTIVE TODAY,
IN ADDITION TO BEING PUBLISHED IN THE OFFICIAL REGISTER. THE
MINISTER OF FINANCE AND THE MINISTER OF INDUSTRIES, COMMERCE,
AND INTEGRATION WILL BE RESPONSIBLE FOR ITS EXECUTION. UNQUOTE.

3. AS REPORTED IN REF A, THE GOE ALSO ON SEPT 11 ISSUED
DECREE 788 WHICH INSTITUTES REQUIREMENTS FOR ADVANCE DEPOSITS
FOR CERTAIN IMPORTS; WE ARE REPORTING THE TEXT OF DECREE 788
SEPARATELY BY CABLE, TO AVOID CONFUSION OF THE TEXT WITH
THE TEXT OF DECREE 786 REPORTED ABOVE; BUT IT SHOULD BE
BORNE IN MIND THAT THE TWO DECREES IN EFFECT OPERATE
HAND-IN-GLOVE.
BREWSTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975QUITO06837
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750318-0510
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750957/aaaabypr.tel
Line Count: 123
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 QUITO 6835, 75 QUITO 6769
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by MaustMC>; APPROVED <30 JAN 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DECREE 786; GOE REDUCES RECENTLY-IMPOSED IMPORT SURCHARGES
TAGS: BEXP, EC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006